PRESIDENT: The consideration of the Bill will be postponed.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): With your permission, Sir, I wish to make one observation with rsgard to this Bill. Any members who wish to make amendments, would do well to send them to-day in order that they may be printed and circulated at once.

THE CHITTIES REGULATION AMENDMENT BILL.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I rise to introduce a Bill to amend the Chitties Regulation of 1094. It has been publised in the Gazette with a statement of objects and reasons and I now beg to move that the Bill be read in the Council.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*) I second it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Sir, I shall now briefly explain the principles involved in the Bill. There are two distinct principles involved. The first is the provision for the postponement of the instalments of a chitty and the other is a provision for penalising what is called the Kurichitties.

In regard to the first namely, the postponement of the instalments of a chitty, the reason for the introduction of the proposed measure is that representations have been made to the Government that owing to the scarcity of money in the country some special remedy or machinery must be provided for the postponement of the instalments of a chitty so that people who have not the money to pay for the chitties may be afforded sufficient facilities for continuing in the chitty without being treated as defaulters. At the same time, it is thought that the power to postpone should not be allowed indefinitely. It is therefore proposed at present that the power should be exercised for postponement only to the extent of one year and after that power should be left to the Government to prescribe further periods of say one year or two years, according as the economic conditions improve or not for which the postponement may be made. This matter was considered by the Economic Development Board and it is on their advice that this measure has been drafted and practicly it is their recommendation that is sought to be implemented by clause 2 of the Bill, *i. e.*, the Section proposed to be added as Section 52 in the Regulation.

With regard to the other principle, the House is certainly aware that there is what is called Kuri chits and there is a large number of them in the country. What are these Kuri chits? Probably it may not be possible to generalise them in such a way as to bring all sorts of kuri chits under a firm definition but most of them come within the meaning of the "transactions *partaking* of the nature of chitties" which are declared void by the Chitties Regulation. Section 4 of the Regulation lays down that—

> "Transactions partaking of the nature of a chitty but not falling within the definition in sub-section (1) of Section 3 are void."

LIBRARY ARCHIVES Kerala Legislative Assembly

Then in the definition of 'Chitty' laid down by Section 3 (1) certain explanations and an illustration are given which will show what chitties are valid and what are void, and it will be seen that what are called kurichitties are void. Although the Chitties Regulation declares that these transactions "partaking of the nature of a chitty" are void there is no provision in the Regulation to penalise them, that is to say it is declared that such and such transactions are void, but what is the punishment for a person who still conducts such transactions and how is a person who is able to pursuade other people to become subscribers to such transactions to be prevented. There is now no way. The transactions being void the subscriber will not have any remedy in a court of law for claiming the prize. If he pays two or three rupees and soon after wins a prize amount of say Rs. 300 and the prize money is not paid to him, the prize winner cannot go to a court of law to help him to get the prize money. However, that is a different matter. Since the kurichitty has been declared by law to be a void transaction and since there are many enterprises for carrying on these kurichits, it is considered advisable that a penalty be imposed against the conduct of these chitties. Therefore, a Section is proposed to be added to the Chitties Regulation namely the proposed Section 53 which will penalise any person who conducts a kurichitty or procures or solicits money from people towards such chitties.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): May I know whether the member has been made aware of any resentment against these kuri chits?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): May I know in which form?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Petitions have been received.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): To the member direct or to the Government?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): To the Government; and also officers of Government have made reports.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): Can the member assure the House that the resentment manifested in these petitions is of sufficient volume to call for such a measure?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): The file is not with me now. There has been a representation and the matter has been reported upon by the officers of Government and Government considered, that the complaint was a real one, not by reason of the volume of complaint but by reason of its merits.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): So, may I know whether even apart from the fact that so many memorials

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. E. V. Krishna Pillai.]

have been received by the Government, Government are of opinion that such a measure is beneficial?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes. I am not resting this Bill merely upon the fact of complaint at all. My point is that the Chitties Regulation has declared such transactions to be void. Is it not right that the legislature should provide a penalty against the person who still conducts the transactions?

MR. A. THANU PILLAI (*Trivandrum*): Sir, May I know from the member in a general way the nature of the representations made with regard to the provision for postponement of chitty?—Are they from any associations or individuals or are they from the foremen of chitties or from the subscribers? Is any definite information available in regard to that?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I have not got all those representations here and further it is not exactly on those representations that I base this Bill. The representations were considered by the Economic Development Board, the expert advisers of Government. They recommended the postponement of the instalments and it is chiefly on their recommendation that this Bill is based

MR. A. THANU PILLAI (*Trivandrum*): I wish to know whether these representations were from the interested people. Can it be said that there is a general demand instead?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Of course, it must be from interested people. But I say that that is not the real reason for this measure being introduced. The Government consulted their expert advisers, the Economic Development Board, in this matter and they twice recommended that provision should me made for the postponement of the instalments of chitties and it is more on their recommendation that I stand before this House in support of this measure.

MR. A. THANU PILLAI (*Trivandrum*): In case the present condition of things does not improve, say at the end of the year, what is it that Government propose to do? Do they intend to extend the time for payment of the instalment?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes. The power should be left to the Government to extend the period from time to time.

MR. P. S. MAHOMED (*Nominated*): ധനപരിപോഷണക്കമ്മിറ്റി ഈ പ്രാശ്നം ചെയ്തിട്ട് എത്ര വർഷമായി?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): ഇപ്പോൾ ഞാറാഴ്ചമാസമായതെയുള്ളൂ.

MR P. S. MAHOMED (*Nominated*): ഇതാവശ്യമാണെന്നു റക്കമൻറ് ചെയ്തിട്ട് എത്രനാളായി?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : ധനപരിപോഷണക്കമ്മിറ്റി ആദ്യം ഇതിനെപ്പറ്റി റക്കമൻറുചെയ്തതനുസരിച്ചു ഒരു ബിൽ ഗസറ്റിൽ പരസ്യംചെയ്തു. പിന്നീട് അതിനെപ്പറ്റി തക്കമണ്ടായതുകൊണ്ടു് ഇതിനെ ഒന്നുകൂടി ധനപരിപോഷണക്കമ്മിറ്റിക്കയച്ചു. ഇതിലേക്കു് എന്തെങ്കിലും ഒരു നിയമം ഉണ്ടായിരിക്കേണ്ടതാണെന്നു അവർ ശുപാർശചെയ്തു. അതനുസരിച്ചാണ് ഇപ്പോഴത്തെ ബിൽ തയ്യാറാക്കി ഗസറ്റിൽ പരസ്യം ചെയ്തതു്.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*) : May I know how the penalty clause regarding the kurichitties is intended to affect the kurichitties that are now running ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : If after the passing of this measure they conduct the chitties they will be punished.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : If they conducted the chitty and now refrain from paying, they will be quite safe.?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : No. They will be punished for the conduct of the chitty. If they do not pay the money, they cannot be compelled. The transaction is void and the foreman cannot be compelled to pay the prize money.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : Even if a particular individual is willing to pay he will not be able to pay. He will be prohibited from paying the prize amount.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : From paying the prize amount ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : Yes. According to the rules of the kurichitty, it is the prizes with some profit and in the end the amount subscribed with some profit, that is stipulated to be paid.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : That is not expressly brought in here. All that is done is to penalise the transaction which is already legally void. What the civil rights of the parties will be is a different matter.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : We would like to be enlightened on the matter.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : My view as a lawyer is this. These transactions are declared to be void and I do not think anybody will be entitled to get anything by putting forward a claim *based* on such transactions.

MR. K. GEORGE (*Chief Secretary to Government*) : Is it void even now ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Yes ; even now under the Regulation it is void.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*): Does not the member think that even though the foreman may be honest, this provision prevents him from parting with the money?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sikar Vakil*): Yes, in one sense. This Regulation will affect the conduct of the transaction itself and *ipso facto* the passing of the money also.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Therefore this amendment instead of helping the subscribers or the foreman to recover the amount prevents all parties from performing it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): It is with reference to that that I say that it is not meant to help or not the recovery of the money.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Does not the member think that the foreman who has collected the subscriptions and who is very honest will be unable to part with these huge sums on account of this provision?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That does not follow.

MR. S. KRISHNA PILLAI (*Karunagapalli*): If, after the coming into operation of this Bill, the foreman conducts the chitty, it will be punishable.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes. Although the chitty has been started and collections were made before the coming into operation of this Bill, yet if the chitty is continued after this Bill comes into force, it will be punishable.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Therefore, does this not operate to enable the foreman who has collected large sums of money to keep it for himself?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): No, Sir.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Has he not a fair excuse to offer that "here is the law and if I pay the money I will be convicted and so let the whole thing go into my account"?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I do not agree to it, Sir. If the lot had been drawn before the passing of this measure the matter ends there and this present measure does not apply to it. If the money is sought to be recovered after the passing of this Regulation, then probably Mr. Krishna Pillai's observation may apply and it is not my intention that even such people should be helped.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Suppose the lot had not been drawn but the money had been collected by the foreman. Will it not continue to be in the hands of the foreman?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes, it will, but I have not the least objection to any amendment being tabled to prevent that.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*) : It is possible to introduce an amendment under which we shall be in a position to appropriate all these funds and spend them for charities.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I have not the least objection if that will appeal to the House. But it must be said that these were void transactions even now and it should I think be the desire of the Legislature to do everything in their power to stop them.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : In spite of the transactions being void, a large number of people are taking a number of tickets in these chitties and what, in the member's opinion, is the reason for it? Does not the member realise that the chances of loss are small in these chitties than in others ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : No. Government feel that it is due to the absence of a penal clause.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : In spite of the transaction being declared void by the old Regulation, is it not daily entered into ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Yes, and the reason for that is the absence of a penal clause, That is my diagnosis of the situation. If Mr. Krishna Pillai has any other diagnosis I am prepared to consider it.

MR. A. THANU PILLAI (*Trivandrum*) : Even now, are not large sums of money appropriated by the foremen of these chitties ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I think so.

MR. A. THANU PILLAI (*Trivandrum*) : Under the Bill will not there be an objection to returning the moneys ?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : He can return the money actually collected but he cannot conduct the chitty.

PRESIDENT : I think we will now proceed to discuss the principles of the Bill.

MR. A. THANU PILLAI (*Trivandrum*) : Sir, the two principles covered by this Bill have to be dealt with separately, because there is very little in common between the two.

So far as the first principle is concerned, Sir, I am inclined to oppose this Bill even thongh it is stated that it has got the support of the Economic Development Board. Already, there is a provision in the existing Regulation enabling chitty subscribers and foremen to postpone drawings and the payment of the instalments under certain conditions. The only change, so far as I can understand, that is now sought to be introduced is in respect of the conditions under which the postponement can be effected. In the existing Regulation there is a provision that if three-fourths in value of the subscribers of a chitty want to postpone, they can do so by what is called, a special resolution. The change sought to be introduced is to this effect—that this can be done at a

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. A. Thanu Pillai.]

meeting convened for the purpose if two-thirds in number of the subscribers attending the meeting are of that view. To me it appears that this change will lead to very great hardship.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is the member aware that there is a similar provision enacted recently in Cochin?

MR. A. THANU PILLAI (*Trivandrum*): There may be a similar provision in Cochin, but that, I do not think, is a sufficient ground to justify our action. Of course, we must examine the provision as it is and see what its effect will be.

Sir, I fully understand that this is a time of great economic distress and all possible measures should be taken to relieve that distress. In the first place we want to give relief only to persons who have joined chitties. Now, in itself, it is doubtful whether that is a justifiable or even a desirable thing to do, so long as we do not prevent other obligations from being enforced. Let us suppose the case of a chitty subscriber who has subscribed up to the 27th instalment in a chitty of thirty instalments. Now, he owes money to another person who has obtained a decree and execution is being taken out against him. He hopes to bid the chitty and take the prize amount in order to pay his debt and he cannot go to a court of law and say 'I am a subscriber of such and such a chitty and payment in that chitty has now been stopped owing to economic distress in the country and so I should not be asked to pay the amount due from me to my creditor.' So we are not going to give relief to all people alike. If such a condition of things were possible, I can understand the justification for this measure. But it is not so. It is only certain gentlemen who have joined the chitty that are going to be benefited. They are to be the men who have already prized the chitty, received the money and utilised it. That is the effect of the measure. So, generally when we say that there is great economic distress, simply to give relief to people who have joined certain chitties, by itself, I think, is objectionable in one view.

No doubt, since the chitties are very much in vogue in Travancore and very many people concern themselves with chitties, something may be done. If we concede that, already the provision is there. The Law Member has not shown us why that provision is inadequate. There is the provision that, if three-fourths in value of the subscribers agree, the chitty can be postponed. Why should we change that? That is to say, why not he be satisfied with this provision that if three-forths in value of the subscribers of a chitty will readily agree to the postponement of a chitty we can postpone it. If they are willing, why should we bring down the figure to two-thirds the number of the subscribers present in such a meeting? What is the effect of that change? Sir, it is a well known fact here that in a chitty say of 20 instalments or drawings, very many people take only one-forth of a ticket or half a ticket. There are some people who take even two tickets. For the twenty tickets there may be forty people holding ten tikets and five holding

LIBRARY ARCHIVES Kerala Legislative Assembly

the remaining ten tickets. So, out of forty-five people one-half, of the value of the entire chitty will be in the hands of five people and the other half in the hands of the remaining forty people. That is a circumstance we cannot ignore. Then what will be the effect of this provision? Well, it is quite dangerous. I am not at all satisfied that this change can be easily accepted unless the Law Member is in a position to convince the House how this is going to be an improvement upon the existing provisiou and that this will not do any harm or adversely affect the people who have honestly been advancing their money and who wait for bidding the chit till a later drawing. The result of the new provision, if we analyse it further, will be seen to be quite dangerous. Suppose a chitty is started and say two drawings are over. Somehow, the foreman succeeds in getting two-thirds the number of subscribers present at a meeting to agree to the postponement and the chitty is postponed. The foreman receives his money even without deducting any discount. Very often in chitties we find for a fact that many of the subscribers are relations of the foreman and if he wants to have the use of the money collected by him for as long a period as he wants, he can easily get the chitty postponed.

Then again, absolutely no difference is made between people who have prized the tickets and those who have not.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is it the member's view that even now there is a provision in the Regulation for the postponement of chitties?

MR. A. THANU PILLAI (*Trivandrum*): Yes.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): In that case what is the objection to the principle involved in the present measure which also enables the postponement?

MR. A. THANU PILLAI (*Trivandrum*): Further facilities for postponement should not be given. The existing provision is quite enough to meet reasonable situations. That is my view. That is to say, if three-fourths of the value of the subscribers agree, let the chitty be postponed.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): So, the member is agreeable to the principle of postponement?

MR. A. THANU PILLAI (*Trivandrum*): Yes, but the majority to agree should be three-fourths of the value of subscribers and not two-thirds the number of subscribers present at the meeting. That is all I can now say. Already the principle is there in the existing Regulation.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I know whether a doubt is felt as to the power by the Regulation itself for postponement?

MR. A. THANU PILLAI (*Trivandrum*): I admit that the provision does not refer to the postponement specifically, but the chitty *variola* will contain the dates on which the drawings are to take place. There is also a provision that the dates can be postponed.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): I am only asking therefore whether the member is in favour of the principle of postponement of chitties though not as regards the particular volume of the majority of the persons that should agree to the postponement.

MR. A. THANU PILLAI (*Trivandrum*): In my opinion, even the existing Regulation contains a provision allowing postponement of chitties under certain conditions.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Did not the member say that the Regulation does not refer specifically to the postponement of the chitties?

MR. A. THANU PILLAI (*Trivandrum*): That is why I said that the dates on which the drawings are to take place will be one of the provisions in the *variola*.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*): Was that provision made with any reference to the economic distress?

MR. A. THANU PILLAI (*Trivandrum*): That provision has been made with reference to the economic distress generally, but may be without reference to the present economic distress and I know that chitties are being postponed on the basis of the provision that I have referred to, not only now, but that has been the practice even before the present economic distress began.

My contention, Sir, is this. There is no occasion to change the proportion that is fixed in the existing Regulation. That will work a real hardship.

MR. K. MADHAVAN PILLAI (*Trivandrum* cum *Neduvangad*): That is to say, it should have a proportion to the amount of money involved?

MR. A. THANU PILLAI (*Trivandrum*): There also there will be hardship. The amount of money will come under two classes—prized subscribers and non-prized subscribers. Suppose a chitty has progressed half way? Out of twenty drawings, ten drawings are over. Now, if these ten tickets are held in one-fourths and one-halves, there will be sufficient number of subscribers to form about two-thirds, so that the non-prized subscribers will have to put off the drawing. If three-fourths in value feel that a postponement should be resorted to, that can be done. I am of the view that less than that should not be allowed.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Will the member be agreeable if "three-fourths" is substituted for "two-thirds"?

MR. A. THANU PILLAI (*Trivandrum*): It must be "three-fourths in value."

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Yes, three-fourths in value.

MR. A. THANU PILLAI (*Trivandrum*): I have no objection to accept that. But the provision is already in the existing Regulation and there is no necessity for the change.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is the *principle* then accepted?

MR. A. THANU PILLAI (*Trivandrum*): There is no necessity for the change. I may say that, except on specific grounds, the principle itself cannot be changed. I do not want to go against the expression in the Regulation itself. I do not want the Law Member to substitute the words "three-fourths in value". Still I would be amenable to that course. I do not object to it. But two-thirds is a fraction I strongly object to.

Then in regard to kurichitties, I am at-one with the Law Member. Even though many kurichitties are being conducted and many people have paid money to foremen who want to make large fortunes with practically no work, we must put an end to this nuisance. Whenever we take action, this objection will be brought forward, namely, that people have advanced moneys. If Rs. 20,000 is collected it will be only three or four thousand rupees that will be distributed to the subscribers. The rest of the money, I think, goes to the chitty foreman.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): No, there is a stipulation in the variola that every pie that is paid will be returned with interest.

MR A. THANU PILLAI (*Tivandrum*): But there is no provision for enforcing any of these contracts.

MR. S. KRISHNA PILLAI (*Karunagapalli*): What is the amount that a subscriber pays ordinarily?

MR. A. THANU PILLAI (*Trivandrum*): Whatever that be, I ask why a man should pay one rupee and make a fortune of 5,000 rupees? People should work in order to earn money.

MR. S. KRISHNA PILLAI (*Karunagapalli*) Suppose the transaction is not made void and it can be enforced by a court of law would the member be satisfied?

MR. A. THANU PILLAI (*Trivandrum*): No. I do not want people to make money for nothing. It is a very bad habit.

MR. S. KRISHNA PILLAI (*Karunagapalli*): What about the Insurance companies?

MR. A. THANU PILLAI (*Trivandrum*): I will speak about the provident insurance companies when I come to that subject. If a person lives till the 60th year then he has to pay. But if he dies his heirs get money. That has nothing to do with this. This is a regular gambling. This is not like that. Here a man pays one rupee and, as a result of chance, he gets Rs. 10,000 for nothing. I am definitely against that

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): For transactions similar to the kurichitties, large sums of money are going out of this State, to Goa and other places. Does the member think that that ought to be prevented?

MR. A. THANU PILLAI (*Trivandrum*): We cannot prevent everything that is objectionable.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I correct the member and say that the Bill proposes to penalise even the man who pays?

MR. A. THANU PILLAI (*Trivandrum*): If that is prohibited by this law probably that will be sufficient.

MR. E. V. KRISHNA PILLAI (*Kottaakara* cum *Kunnattur*): I have one doubt. In regard to the observations made by the Law Member, it is said that anybody who pays any money to any outside institutions similar in kind to the kurichitties will be punished. But here, in Section 53, it is said that transactions declared void by Section 4 of the Travancore Regulation will be punishable. Will a declaration in a Travancore Regulation affect outside transactions?

MR. A. THANU PILLAI (*Trivandrum*): The Law Member will be the best person to answer that. Whether this will affect the kurichitties outside the State is doubtful. Whatever that may be, in regard to the return of the moneys already received and the foreman making large profits and all that, there is nothing to prevent an honest foreman from returning the money he has received.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): No, he will be punished if he returns the money.

MR. A. THANU PILLAI (*Trivandrum*): No, that is not how I understand the provisions of the Bill. When a man returns the money it is done in the conduct of the kurichitty. There is no doubt on that score. We must see an end of these transactions. So I strongly support the principle of the Bill so far as that is concerned and oppose the principle so far as the earlier portion is concerned.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): Sir, Mr. Thanu Pillai has spoken at length in regard to the first principle contained in the Bill. I wish to make a few observations in regard to the second principle contained in the Bill, namely, the kurichitties. The legal consequence of the provisions sought to be introduced has given rise to many inferences. I utterly fail to understand Mr. Thanu Pillai when he said that a kurichitty foreman will not be liable to punishment if he returns the amounts collected by him after this Regulation comes into force. For, in Section 53, it is said any person who conducts or is responsible for the conduct of the transactions declared void by Section 4 shall be punishable. Section 4 declares such transactions as kurichitties to be void and under this Bill punishment also will be meted out to those who are responsible for the conduct of the kurichitties. My submission is that returning the amount already collected by a foreman after the Regulation comes into force may also form the conduct of a kurichitty. In that light, the foreman, who gave the original undertaking to the subscribers to a kurichitty, when he returns the amount may also be said to be one who conducts the kurichitties as undertaken by him in the original *variola*.

MR. A. THANU PILLAI (*Trivandrum*): May I remind the member that when he returns the money, it will not be in accordance with the provisions of the chitty *variola* but simply a return of the amount for a transaction which has not matured?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): Now he has undertaken to return the amounts with interest. So, the moment he thinks of fulfilling the promise and acquitting himself honourably, this law comes and tells him; "Don't do that. You may return the original amount but you should not return the interest that was originally promised by you." My submission is that many respectable people, who, apart from the legal binding of the transactions of the Regulation, inspired by some moral obligation, and by their desire to maintain the reputation of their firms or individual credit, may be very anxious to pay to the last pie the amounts undertaken by them to be paid, will not be able to do so.

MR. A. S. DAMODARAN ASAN: (*Mavelikara* cum *Kartikapalli*): What is there to prevent the amount being paid with interest?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): If he returns the amount, he will be punished. That would be the reasonable interpretation put upon the action of a foreman who returns the amount after the Regulation comes into force, because he will be said to be one who returns the amount after the transaction becomes void.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Does the member refer to returning after it is prized or in persuance of the contract?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): I am making a distinction between the two. I am answering Mr. Asan's objection. If he returns the original amount, certainly the act is not punishable. But if he agrees to return the original amount as was originally undertaken by him, certainly he will be hauled up before a court of law.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): May I ask whether he is drawing a distinction between the payment of the prize amount and the return of the amount actually subscribed? I have one question more. Does the member accept the position that it will be permissible to return the amount actually subscribed?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): That will be considered when the Bill goes into the Select Committee.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Does the member find anything inconsistent with the position that the amount actually subscribed can be returned?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): The clause, as it is, does not warrant that.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Then may I put it to the member that that is due to wrong drafting perhaps?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): My personal impression about the whole thing is that so many kurichitties are springing into existence and so many public activities are coming into existence, that we must have some legal provision by which the whole scheme will not be nipped in the bud but by which the scheme will be made such as not to be detrimental to the public in general.

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. E. V. Krishna Pillai.]

Certainly that will be the wiser course. But if the Law Member asks me to suggest a suitable drafting, I may not be able to do it at once. But we will bestow some thought and see that there is no great public resentment and, if there is very great public resentment, what will be the best remedy to get over the difficulties. There are so many people in the country who have already paid moneys in transactions of the kind.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : If this Bill is not passed, will a man who has paid money be able to sue and recover the money back?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*) : Certainly not. Every Tom, Dick and Harry may come forward with a kurichitty and there is no moral obligation to pay back the money. If there is a moral obligation, anybody will subscribe to it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : If this Bill is passed, will that moral obligation be nullified?

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*) : But in order to see that he keeps up the promise he has to engage a vakil and get legal advice as to whether his action is legal or not. It is rather unwise to penalise the whole thing under such summary conditions and therefore I oppose that principle of the Bill.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : Sir, as was observed, there are two principles involved in this Bill, one relating to the postponement of the instalment of a chitty and the other relating to kurichitties. The two principles attempted to be established, or formulated under this Bill are opposed to public policy. It is always the attempt of the Legislature to help as far as possible people in the performance of a contract they have entered into. It will be found that in every legislation, except penal legislation, the contracts, entered into between one man and another, have been permitted to subsist or to continue. It is only contracts that come into force after the Regulation is passed that are sought to be penalised. Here the two principles enunciated in this Bill are opposed to this theory. The other day when we were discussing the Provident Insurance Bill we came across an instance in which the Legislature had to accept contracts already entered into. The principle was discussed fully and we unanimously came to the conclusion that contracts already entered into without knowing that legislation will be passed to nullify them should not be interfered with. That is a sound principle which must be accepted. Testing this Bill from that point of view we find that it transgresses it in more ways than one. Under the Chitties Regulation of 1094 there are certain Sections which enable a foreman to postpone a chitty, and these Sections have been formulated after mature consideration and after full discussion of the whole aspect of the case. It is now found that economic depression necessitates a further legislation on this topic, in order that a foreman might be enabled to postpone the collection of chitty money. Under the Regulation passed in 1094, various chitties have been started,

LIBRARY ARCHIVES Kerala Legislative Assembly

It is not proper that we legislate enabling the foremen or the subscribers to break contracts already entered into on the strength of the Regulation now in force. Section 3, clause 11 of the Chitties Regulation states what a special resolution passed by the subscribers can do in regard to the postponement of a chitty. Section 10 of the Regulation says how such a special resolution shall have the effect of altering the important provisions of the chitty variola. Section 33, clause 6 of the Regulation says:

> "On the failure of the foreman to conduct the chitty at any instalment, or on any other date before the next instalment as may be agreed upon by a special resolution"

the chitty shall be deemed to have terminated. Reading Section 3 clause 11, Section 10 and Section 33, clause 6, it is found that even at the time the present Regulation came into force it was considered that in exceptional cases, in cases of emergency, chitties may have to be postponed; and hence it is we find provision that chitties can be postponed under a special resolution as stated in Section 3, clause 11. But according to that Section the postponement can only be till the next instalment, that is ordinarily for six months, the longest period between one chitty and another.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Does not the word "instalment" in the provision relate to the instalments provided for in the original variola?

MR. S. KRISHNA PILLAI (*Karunagapalli*): It must be so.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If the variola is amended in accordance with the provisions now in force, then, I suppose, the expression instalments would mean instalments under the amended variola?

MR. S. KRISHNA PILLAI (*Karunagapalli*): This Regulation stipulates that all particulars shall be contained in the variola. Any other provision is superfluous. But the Regulation itself lays down what facts shall be stated in the variola and the date on which the chitty is to commence, the dates on which subsequent instalments are to be paid and the dates on which the chitty is to terminate; these three are specific and necessary items to be contained in the variola.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): It is not mentioned there like that.

MR. S. KRISHNA PILLAI (*Karunagapalli*): You will find that that is the only possible interpretation. Section 7 says:—

> "The number of tickets, the number of instalments, the date on which the chitty is to begin and the date on which it is to terminate....."

Therefore the number of tickets, the date on which the chitty is to begin and the date on which it is to terminate have essentially to be mentioned in the chitty variola.

MR. A. S. DAMODARAN ASAN (*Mavelikara cum Kartikapalli*): Then, according to my friend, no postponement can be made?

MR. S. KRISHNA PILLAI (*Karunagapalli*): No, not beyond the date of the next instalment.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): But the variola can be suitably amended by a special resolution.

MR. S. KRISHNA PILLAI (*Karunagapalli*): According to Section 10, "subject to the provisions of this Regulation and the conditions contained in the variola." these are the two restrictions for the alteration of the variola. Subject to the provisions of this Regulation and the conditions contained in the variola, the variola can be altered by a special resolution. Now, what are the conditions contained in the variola and what are the special provisions contained in the Regulation? You will find that the conditions in the variola are the 11 conditions specified in Section 7?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): None of these can be altered?

MR. S. KRISHNA PILLAI (*Karunagapalli*): No. I may point out, Sir, that the word 'condition' has got a special meaning attached to it in law. Out of these 11 conditions specified in Section 7 there are some which amount to 'conditions' in law. You will find from the law lexicon that in law, the expression 'condition' has got a particular meaning attached to it. In ordinary parlance we use the word in a different sense. The word 'condition' in law has a distinct meaning entirely different from the word as used in common parlance. My own opinion is, as I have already submitted, that the number of tickets, the date on which it is to start and the date on which it is to terminate, these are the *conditions* in the variola.

MR. A. S. DAMODARAN ASAN (*Mavelikara cum Kartikapalli*): Then, what is it that can be altered by a special resolution passed by the subscribers?

MR. S. KRISHNA PILLAI (*Karunagapalli*): My submission is that any alteration that can be made by means of a special resolution is only subject to the provisions of this Regulation and the conditions contained in the variola. Of the 11 items mentioned in Section 7 of the Regulation, there are only some which can be considered as conditions in law.

MR. A. THANU PILLAI (*Trivandrum*): Could not the date of the chitty or of an instalment be altered by means of a special resolution?

MR. S. KRISHNA PILLAI (*Karunagapalli*): No. Because Section 7 says that the variola must contain the number of tickets, the date of the commencement of the chitty and the date of the termination. And in Section 33, it is stated that "the chitty shall be deemed to have collapsed on the failure of the foreman on any instalment.....or on any other date before the next instalment as agreed to by means of a special resolution....." The provision in the Regulation is that by means of a special resolution any instalment may be postponed to a date not later than the date of the next instalment.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is it the member's position that because Section 33 (6) says or implies that an instalment cannot be postponed to a date later

LIBRARY ARCHIVES Kerala Legislative Assembly

than the date of the next instalment, it must be taken that that provision means that even by means of a special resolution it is not possible to postpone the chitty beyond the date of the next instalment.

MR. S. KRISHNA PILLAI (*Karunagapalli*): That exactly is my opinion. Therefore under the present Regulation the chitty can ordinarily be postponed for six months.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Why six months?

MR. S. KRISHNA PILLAI (*Karunagapalli*): I am referring to ordinary chitties in which we have two instalments in the year. There may be chitties which may have 3 or 4 instalments in the year. The longest period for the postponement under the present Regulation is possibly six months.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Is it my friend's opinion that since postponement beyond the date of the next instalment is not possible, all chitties must now be wound up?

MR. S. KRISHNA PILLAI (*Karunagapalli*): All chitties must, if you think it necessary, be declared to have collapsed and must be wound up. This is my firm conviction.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Apart from his interpretation of the provision under the Regulation now in force, may I know the opinion that he has been able to gather from his experience as a leading member of the Bar?

MR. S. KRISHNA PILLAI (*Karunagapalli*): My experience as a member of the Bar is that, as the law stands at present, there is absolutely no means of actually checking whether the foreman really conducts the chitties on proper lines and in accordance with law. Although there is provision that he has to submit a statement periodically to the District Registrar in regard to the conduct of his chitty, as it stands, to check whether the statements made by the foreman are true, all that the foreman need do under the Regulation is simply to make a statement that he has done everything as per the Regulation and the chitty variola. It is only if the matter is brought up before a criminal court and if the subscriber is persistent and vigilant enough to seek redress through a criminal court, with considerable difficulty, you are able to expose in very rare cases the irregularities of the foreman. So, as a practising lawyer, I am not very much satisfied with even those provisions under Section 33 of the Regulation. So far as the non-prized subscribers are concerned, they have to pay their dues regularly and if they make any delay, immediately comes the notice from the foreman that he will be removed from the rolls of subscribers. On the other hand, if they have reasons to suspect that the foreman is not conducting the chitty properly and if they turn round and want the foreman to satisfy them, they are not in a position to do it unless they persistently pursue the matter and seek redress through a court of law which in most cases takes not less than 3 or 4 years and even 8 or 10 years when it has to go to the High Court,

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. S. Krishna Pillai.]

so that by that time the chitties would have themselves terminated. So, the position of the non-prized subscriber under the present Regulation is not at all enviable. I for myself should say that the present Regulation contains various provisions inaccurately drawn up and inartistically worded with loop-holes to the foreman to evade the intentions of those provisions. Therefore if the Government really propose to bring in any amendment to this Regulation, the whole Regulation has to be revised and proper provisions substituted for those now in force so that the law on the subject may work on healthy lines and on the lines on which they were originally intended to work.

So far as the Bill now before the House is concerned, it states that the foreman shall have power to postpone chitty for one year from the date on which the Regulation comes into force and after that the Government may fix such period of postponement as they like. That I submit is taking away the right of the subscribers who really are the parties who have entered into contract with the foremen. As I have already submitted, even under the present Regulation, if all the subscribers are willing, the chitty need not be conducted and the foreman is entitled to postpone the chitty till the date of the next instalment. What does the Bill before the House seek to provide. After making the subscribers wait for six months, the foreman gets the power to postpone the chitty for one more year and then the Government may paralyse it as it were for such further time as they think fit from the date on which this Bill becomes law. Sir, how long are the non-prized subscribers to be kept out of their legitimate dues?

The learned Law Member referred to the Report of the Economic Depression Enquiry Committee. That Committee say at pages 124 and 125 of the Report that they discussed all aspects of the case and they did not formally make any definite recommendation about it. I would point out the various difficulties and hardships of the subscribers and would therefore suggest the undesirability of postponing the chitties. Sir, if chitties are to be postponed in favour of the prized subscribers and in favour of the foreman, what do the Government say in regard to the execution of the decrees now pending before the civil courts. Are not the debtors entitled to as much indulgence as the subscribers who have already received their chitty money? Is it not fair that when one set of people are protected the others also are afforded the same kind of protection and not left in the lurch? Why should it not be provided that all money decrees now pending execution in the civil courts should also be stayed at least for one year? If the Government were to say that I should come forward and say that the Government must suspend the payment of kist. Why are they so very particular of squeezing out the taxes from the people when they are not able to pay? Government cannot in fairness come and say "pay us whatever you have agreed to pay"; but in regard to chitties already bid, you need not pay till you find it convenient to pay. If we accept a principle, we must extend it to all cases in which the circumstances do not differ.

LIBRARY ARCHIVES Kerala Legislative Assembly

The provision in the present Bill is, therefore, obnoxious, particularly because it seeks to violate the important provision of contracts already entered into, contracts which are being performed by the people. Certainly, the legislature cannot make any distinction in favour of some of the subscribers and the foreman. The principle involved in the Bill is, therefore, I submit, not acceptable at all.

In regard to kurichitties also, I have strong objections to the provisions contained in the Bill. The Law Member says that every kurichitty started or conducted shall be penalised. The Law Member very well knows, Sir, that there are hundreds of kurichitties which have been started and which are now being conducted in Travancore. These kurichitties were started and pushed through because the courts of law in Travancore, by their pronouncements, offer inducements both to the foremen and to the public to enter into such transactions.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Did the foreman count also upon the fact that he could not be compelled in any court of law to pay ?

MR. S. KRISHNA PILLAI (*Karunagapalli*): Why should we attribute motives unnecessarily ? Why not we take it that these honest gentlemen have started the chitties with the best of motives ? Even if in particular cases, owing to unbusinesslike dealings and to unscientific working a foreman is not in a position to fulfil his promise, I submit that is no justification for attributing any bad motive to him. We may condemn the institution. After all, on a promise made with apparently very good intentions to repay 5 or 10 thousand rupees for the 4 or 8 annas that you pay, if, on account of unbusiness like dealings or the unscientific nature of the chitty, a foreman is not able entirely to fulfil his promise, I do not think there would be any among the subscribers who would really long for any enactment to enable him to enforce his right for his paltry sum of 8 annas through a court of law.

MR. K. GEORGE (*Chief Secretary to Government*): Is it not just this circumstance that the foremen count upon for their trade ?

MR. S. KRISHNA PILLAI (*Karunagapalli*): My only submission is that the foreman does not count on this alone. We have also to take into account the nature of the transaction, and the tremendous possibility for every subscriber to win, some day or other, thousands of rupees for just the 4 or 8 as. that he has paid. It is very uncharitable to attribute bad motives to the foreman when the law always presumes every one to be honest.

MR. E. V. KRISHNA PILLAI (*Kottarakara* cum *Kunnattur*): Is it the member's view that if the proposed enactment comes into force, people who subscribe to lotteries conducted outside Travancore would be liable to punishment ?

MR. S. KRISHNA PILLAI (*Karunagapalli*): I am coming to that. What I want to emphasise in this connection is that no legislation should

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. S. Krishna Pillai.]

be enacted which interferes with the kuri-chitties already started and the rights of the foremen and the subscribers who have already taken part in them.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : What are the rights of the subscribers, please?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : To get thousands of rupees for a few annas they have paid.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Is it a right worth the name when it cannot be enforced through a court of law?

MR. S. KRISHNA PILLAI (*Karunagapalli*): There is certainly a chance for every subscriber to get his own 4 or 5 thousand rupees some time or other for the 4 or 8 as. that he has paid. Why should the law now interfere and make it absolutely impossible for the subscriber to get his expectation fulfilled? Subscriptions have been paid with the full hope that each subscriber will get his own chance of winning 4 or 5 thousand rupees some time or other. Why should the legislature step in and definitely defeat the expectations of the subscribers?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Has not the subscriber now to count upon merely the *moral* obligation on the part of the foreman, to pay the prize? Is there any legal obligation enforceable in a court of law?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : As I have already submitted, Sir, why should we start with the presumption that everybody in Travancore is dishonest and would care to keep promises only when the law compels the keeping of promises, when the law always presumes that every human being is honest? After all, it is only a paltry sum of 4 or 8 as. that each subscriber has paid.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Are not the subscriptions to all lotteries such paltry sums?

MR. S. KRISHNA PILLAI (*Karunagapalli*): I shall take a specific illustration. Sir, let us take it, that a very respectable gentleman has now started a kuri-chitty and has collected money from tens of thousands of subscribers who have complete confidence in the foreman and who have full hopes of winning the prize some day or other. Are we justified in enacting a measure which would either compel the foreman to take for himself, against his will, all the money subscribed, or to repay individually, to all the subscribers, all the money collected which would mean terrible expenditure and loss to the foreman who would have already spent terribly for advertisement of his chitty and for the registering of subscribers and collection of money from thousands of people?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Will my friend be satisfied if a provision is made that the foreman, who willingly repays all subscriptions paid to him, will not be punished?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*) : Certainly not, because that would mean great loss to the foreman who would have already spent a big sum on the chitty and serious disappointment to the subscribers who do hope to win prizes. On the other hand, I am for enacting a measure which lays down "Hereafter no kuri-chitty shall be started."

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Did not the foreman know, when they started these chitties that all such transactions are void ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : There are, in practice several honest transactions which do take place though they may be void in law. If honest men have entered into contracts knowing that they are void, why should the legislature interfere? There is certainly no harm in making provisions with regard to kuri-chitties.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : What does this honesty consist in ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : In fulfilling the promise made.

MR. A. THANU PILLAI (*Trivandrum*) : Is it the member's opinion that transactions not recognised by law should be encouraged ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : No, they ought to be discouraged, but transactions which are not now illegal, which have not been rendered penal by the law now in force, should not be rendered so now by means of special legislation. The Chitties Regulation has rendered these transactions *void*, but not *illegal*. That Regulation does not penalise these transactions. Perhaps, it was thought, at the time the Chittles Regulation was enacted that such kurichitties would come under the provision in the Penal Code dealing with lotteries ; but our High Court has ruled that they do not. It is in these circumstances that honest men, who command the confidence of the public, have started these kuri-chitties. I can understand an enactment which renders future kuri-chitties unlawful.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Did I hear the member to say that, when the Chitties Regulation was enacted, the legislature contemplated these kuri-chitties as lotteries and intended that they would come under the provision in the Penal Code against lotteries ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : I do not know whether that question was specifically raised and considered by the Council when the Chitties Regulation was passed. Anyhow, it is clear that these kuri-chitties have been started because the law has not rendered them unlawful or declared the promoters thereof punishable. In the majority of cases these are being conducted on strictly business like lines ; and I do not think there are many people who have any serious complaint to make.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : They are, any way, void under the Chitties Regulation.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*) : They may be void to the extent of the 4 or 8 as. that the subscribers might have paid.

MR. A. THANU PILLAI (*Trivandrum*) : Are they not void also to the extent of the *five thousand rupees* that thousands of subscribers have been promised ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : That is exactly my difficulty now. When people reasonably hope to get Rs. 5,000 for the few annas they have paid, why should the legislature interfere and defeat their expectations ? It is highly obnoxious and also detrimental to the honesty and fair name of the good foreman who, in spite of his willingness to pay the prizes, is now proposed not to be allowed to do so.

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram* cum *Shencotta*) : Is there anything to prevent any honest foreman from giving the prizes to the subscribers as *presents* if he really wants to do it ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : Why should we compel the foreman to resort to such subterfuges ? How can he fix the order in which the prizes are to be distributed unless he draws lots ? That would mean he would have to continue to conduct the kuri-chitty, always standing in danger of being arrested by the Police Inspector for that and put into trouble.

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram* cum *Shencotta*) : Is there anything to prevent the honest foreman from repaying money which he is under a moral obligation to pay ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : Which is the money that he is under a moral obligation to pay ?

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram* cum *Shencotta*): Rs. 5,000, according to my friend.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : There is serious difficulty in doing that as I have already pointed out. How can he do it without actually conducting the chitty and drawing lots ? The payment of prizes always implies and involves the drawing of lots. Why should the foreman stand the risk of a prosecution for trying to fulfil his promise solemnly made ?

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram* cum *Shencotta*) : Is there anything to prevent the foreman from parting with his money?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : Exactly, that is my point. How can he pay the prize as *money due* unless he actually conducts the kuri-chitty and draws lots ?

MR. S. CHATTANATHA KARAYALAR (*Pattanapuram* cum *Shencotta*) : The money cannot be said to be *money due* if it is a void transaction.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : That is a position which I am not able to accept.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : At the time the Chitties Regulation of 1094 was enacted, was it contemplated by the legislature that such transactions should be allowed to be started ?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*) : The legislature intended that such transactions may be started and that the court should not lend them their support.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Is it the member's point that the legislature intended that such transactions may be started ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : There was the possibility of such transactions being started. If the legislature was very serious about these transactions they would have penalised them instead of merely making them void. They have not done that.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Even if these transactions had been penalised, what is there to prevent their being started ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : The foremen would then be prosecuted and convicted.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : That is all ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : No respectable man will risk a conviction.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : So, it is the fear of punishment that makes these respectable gentlemen respectable ?

MR. S. KRISHNA PILLAI (*Karunagapalli*) : I dare say the Law Member knows the large amount of difference between transactions rendered void, and transactions rendered punishable. I am not going to explain that now.

My friend Mr. E. V. Krishna Pillai asked me a question, and an answer is due to him. He asked me whether any person taking a ticket in a kuri-chitty started outside Travancore would be punishable under the proposed enactment. I discussed the question informally with the Law member ; and he said that the criminal law of Travancore was *personal* in its nature and that the law here extended to everyone *belonging* to Travancore, wherever the offence might have been committed, whether it was in Madras or in London.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I question that statement, Sir, the statement that I gave—that opinion on the matter .....

MR. S. KRISHNA PILLAI (*Karunagapalli*) : That was what I gathered from him in a private conversation with him.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : It is not a correct rendering of what I said.

MR. S. KRISHNA PILLAI (*Karunagapalli*) : That was how I understood him.

MR. A. THANU PILLAI (*Trivandrum*) : What would be the maximum loss of individual subscribers to these kuri-chitties ?

5 1938

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. S. KRISHNA PILLAI (*Karunagapalli*): From *four* to *eight* annas; and the foreman would be gainer to the extent of several thousands of rupees. The subscribers also lose the possibility of getting Rs. 10,000.

And then, Sir, I have my own doubts as to whether the proposed measure has been set up by interested foremen or whether it is really intended to protect the innocent people in Travancore.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Perhaps for the benefit of those intelligent men who know the law.

MR. S. KRISHNA PILLAI (*Karunagapalli*): As I have already submitted, Sir, if the proposed measure is enacted, it would prevent even willing foremen from parting with their money. That is precisely in favour of the foremen.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know whether ordinarily, it is not men in embarrassed circumstances that start these kuri-chitties?

MR. S. KRISHNA PILLAI (*Karunagapalli*): I do not think any such motive can be attributed.

MR. A. S. DAMODARAN ASAN (*Mavelikara* cum *Kartikapalli*): Is not the member for discouraging such kuri-chitties being started in future?

MR. S. KRISHNA PILLAI (*Karunagapalli*): *I am* for that.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): So that there may not be further competition in the field?

MR. S. KRISHNA PILLAI (*Karunagapalli*): Why should we interfere with contracts that have already been entered into and compel the foremen to appropriate for themselves even against their will, the money they have already collected? Since, it is not the object of this Bill to protect the foremen, I stoutly oppose it. Further, so far as the subscribers are concerned, they do not stand in great need of any protection since their loss, on account of the contracts being void, would come only to 4 or 8 as. And, since they stand to lose the chance of winning 5 or 10 thousand rupees in all cases, I submit, it is not fair that the law interferes with such transactions already started. I am certainly not in favour of any legislation which would render the foreman unable to pay the money he has promised to pay and is willing to repay.

MR. A. S. DAMODARAN ASAN (*Mavelikara* cum *Kartikapalli*): Is it impossible to make suitable amendments to save transactions already entered into?

MR. S. KRISHNA PILLAI (*Karunagapalli*): We are now discussing the principle of the Bill, and I am against the principle of the Bill in so far as it seeks to affect transactions already entered into. It is only after the principle is accepted by the Council, that amendments in the Select Committee or here would arise. I submit, that, considering the principle involved in the Bill, it should not form part of our Statute Book.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): Sir, I wish to make two observations. We notice that the Bill contains two important points to be decided, one relating to postponement of instalments in ordinary chitties and the other relating to penalising of kuri-chitties. As the Law Member stated, he has come forward with this Bill as a result of the recommendations made by the Economic Development Board. I know as a matter of fact that there were representations made to Government, by means of deputations waiting on the Government, which said that some remedial measures should be adopted for relieving the distress of the people on account of the prevailing economic depression in the country. What the people resorting to chitties wanted was that the Government should interfere by strong measures to suspend the chitties altogether for a time. It was found by Government that a thorough suspension would entail difficulties throughout. As suggested by the Economic Development Board it was found reasonable to make it easy for the foreman and the subscribers to postpone the chitty according as the circumstances admit. The Development Board as Mr. Krishna Pillai pointed out, discussed the matter in detail considering the grounds both for and against the suspension of the chitty and they came to the positive conclusion that the Government should interfere and allow people to suspend chitties for a time at least. When there is such a positive recommendation by a responsible committee and when we also find that a large number of citizens in Travancore are affected by chitty transactions and when a large portion of revenue of each citizen is given out as subscriptions to the chitty, the Government thought that some remedial measure should be adopted by them so that people will not be put to any difficulty. We have often noticed such difficulties arising in a matter of this kind. We are here starving in the midst of plenty. The nature of the present depression is not that we are lacking in raw materials or the supply of our raw products, but, we find ourselves wanting in sufficient amount of money to carry on our transactions. Chitty is a matter which consumes almost the whole of a citizen's earnings. In Travancore, there are about 10,000 chitties that are registered. I remember that, in an answer to an interpellation by me, Government have stated that Rs. 76 per head is being subscribed for a chitty every year. From the answer to my interpellation of to-day, we find there are a number of suits relating to chitties and those also involve large amounts of money. About one-eighth of the total number of suits now pending in our courts, *i. e.*, out of 25,341 suits relating to other matters, we find 3,519 suits refer to chitties and more than 16 lakhs of rupees are involved in these chitty suits. 2,210 plaintiffs out of all these suits are the foremen and the number of subscribers as plaintiffs comes to 1309. This is the real state of affairs as regards chitty transactions in Travancore. Under the circumstances, for the general public well-being, Government will only be doing justice when they interfere to relieve the distress of the chitty people. My doubt is whether the present Regulation will relieve, to any considerable extent, the distress that is being undergone. What the

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Abraham.]

people wanted was a summary interference by the Government. But it was answered that there was no provision of law by which the Government could interfere in chitty transactions. If at all they do so, it could only be by declaring a general moratorium or something like that. Anyhow, as a temporary measure, now, the Government have thought it fit to introduce at least this measure and this House wil not be justified if they do not welcome this measure.

The next question to be examined is whether the present Bill is an improvement upon the existing Regulation. It is a matter to be considered whether the present Regulation enables the chitty foreman and subscribers to postpone chitty transactions for an instalment or for a definite period. If we concede that the present Regulation permits by some special resolution the adjournment of instalments, then, I think, the Bill introduced now is only by way of explaining the present provisions of the existing Regulation. In that sense it is no advancement. If we think that the present Regulation does not enable the foreman and the subscribers by any means to adjourn instalments, then it is necessary that some provision must be made in that direction. Mr. S. Krishna Pillai pointed out that the present Section 33, clause (6) enables the foreman and the subscribers to postpone the chitty only till the next instalment and not further. I agree with him, and say that this interpretation is correct. If that be the case, it is all the more necessary why there should be a Bill on the lines now introduced. There again, in the Bill, we find that the chitties could be postponed only for one year unless the Government make provision otherwise. Even that provision is not sufficient. That is my opinion. When the subscribers and the foreman, by mutual agreement, think, that they could postpone instalments for a further period, I do not think it is proper for the Government to say that they should not do so, but that they can only postpone the instalment for one year at the most. The foreman and subscribers are the persons who are the best judges to say whether their circumstances permit them to conduct the chitty on a particular day or on a subsequent day.

As regards the postponement of instalments, as provided for by the Bill, I accept the principle. I only think that the period prescribed is too short. As for the first part of the Bill relating to the postponement of the instalments I support the principle of the Bill.

As regards the second matter relating to kuri-chitties, the present provision penalises the future conducting of kuri-chitties; that would mean even the existing kuri-chitty cannot be run hereafter. That would be a positive advantage to the foreman, for, even though we may say that a good many people may pay back the money which has been collected, it is not practical philosophy to expect the foreman who is exempted under law from giving out the money which he has received, to pay it back of his own accord. It is not good to say perhaps that hereafter people partaking in kuri-chitties would be punished. But we will have to provide that the subscribers who have already paid to kuri-chitties will be given back the amounts

LIBRARY ARCHIVES Kerala Legislative Assembly

which they have already subscribed. Unless such a provision is also made in the Bill, this Bill will work very great hardship on the subscribers in general. Therefore, as regards the second part, I give only a qualified support. I accept the principle in so far as it penalises the future conduct of chitties; but at the same time, it must be provided that the foreman of the kuri-chitties should pay back the money he has already realised as subscriptions from the people who have subscribed before the new law comes into force.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That is repaying what has actually been paid?

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): Yes.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If the member tables such an amendment, then it may be considered.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): That is my opinion. If I am allowed to bring up an amendment like that, certainly I shall do so.

MR. M. GOVINDAN (*Nominated*): I am sorry, I have to oppose the principle of the Bill, although supported by such an influential body as the Development Board and sponsored by the Law Member. The Bill ignores the convenience of one set of subscribers and supports only the other set. That there is financial depression in the country cannot be denied. But the relief that the Government propose to give should be such as not to work hardship on any class of persons. In every chitty, there will be prized subscribers and some unprized subscribers. Now, the prized subscribers are in the position of debtors to the scheme and the unprized subscribers are the creditors. The unprized subscribers by their frugal ways invested certain sums with the foreman in the scheme with a view to meet their necessities and when such necessities arise to bid their ticket and receive the prize. If two-thirds of the number of members present, who may all be prized subscribers, resolve that the chitty need not be conducted next time, the persons who hope to bid the money will be put to difficulty. That is a very hard state of affairs. The non-prized subscriber wants that the chitty should be conducted regularly according to the contract. It is the interest of the prized subscriber not to pay the money and the Legislature would be helping the prized subscriber at the cost of the non-prized subscriber.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): Is not the prized subscriber made to pay with interest at the end?

MR. M. GOVINDAN (*Nominated*): The point I have to emphasise is quite different.

When this Bill appeared in its first form, that feature was not present. If I am permitted to say what transpired in private conversation amongst us, we definitely stated that we would object to the Bill when it appears in that form. Then a little modification was made by the introduction of the six per cent. interest to be paid to the non-prized subscriber as a a sort of solatio. I do not think that it is fair for anybody to coerce a man to invest money at interest when he wants

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. M. Govindan.]

the capital for himself. The indirect result of this will be to ask the non-prized subscriber who is a creditor to pay it and receive interest at six per cent. when as a fact, *usually*, the rate of interest in the country is twelve per cent. So, as between the prized subscriber and the non-prized subscriber if the Government interfere to help at all, it is the non-prized subscriber that has to be helped and not the prized man. Without such a thing, this Bill will be a handicap and prevent the real man from getting the fruits in times of need. It is therefore a very hard measure so far as the chitty is concerned.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): Is there any assurance of the exact date when a non-prized subscriber will get the money?

MR. M. GOVINDAN (*Nominated*): They can bid in auction.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Thodupuzha*): But do they always succeed in that?

MR. M. GOVINDAN (*Nominated*): If there is rivalry among the subscribers, the highest bidder will win. If a man is bent on taking the prize, he can take it.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): In that case, will it not be a loss to the subscriber if he resorts to such a course?

MR. M. GOVINDAN (*Nominated*): If a man is voluntarily going in to bid at a loss to meet some emergency, you cannot say that it is not proper. And in that view, you cannot say that it is a loss for him.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Can the subscriber be sure of his prize at the bidding?

MR. M. GOVINDAN (*Nominated*): Provided he is prepared to go sufficiently high in the matter of bidding, he can be sure of bidding the lot.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Once he becomes a prized winner, what is the corresponding position, may I know?

MR. M. GOVINDAN (*Nominated*): That is a different point altogether.

I have to tell him one thing. When this measure was passed some two years ago, it was a time when we had acute financial depression.

MR. K. P. ABARAHAM (*Muvattupuzha* cum *Todupuzha*): Are conditions better now?

MR. M. GOVINDAN (*Nominated*): We have by habit accustomed ourselves to the conditinos of to-day. There is a degree of adjustment between our financial needs and our income and we are not feeling the acuteness to a great extent and not that there is no depression now. Because the Bill has been introduced at this late stage when the necessity has decreased is another reason why we should not accept the principle of the Bill. As for the question whether the amount can be realised I can assure the member that many of us are getting money from chitty foremen. Only such of those who have not bid the chitty are in the unfortunate position of relying upon the foreman to pay the money when they choose to bid.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is it the member's experience that a considerable portion of the prize winners are really getting their prize amount?

MR. M. GOVINDAN (*Nominated*): That depends upon the foreman. There are many chitty foremen who are conducting their chitties regularly. But there are also many who are not doing so. In such a case for the sake of persons who are not conducting chitties regularly, should we pass a piece of legislation which would prejudicially affect, roughly speaking, one half of the total number of subscribers. I take it that 50 per cent. of subscribers will be non-prized while the other 50 per cent will be prized. In such a case the attitude of the Legislature should be one of neutrality. In the existing law although the expression 'postponement' does not find a place, there is some provision for adjournment. If that is so where is the necessity for further facilitating postponement? "Three-fourths of the value" is the expression used in the Section which is already in the Statute Book. Now, my contention is that even that is hard. "Three-fourths of the value" may mean three-fourths of the prized value or the non-prized value. My own impression is that, if it requires any amendment at all, the amendment should be such as to make it clear that three-fourths of the value means three-fourths of the value of tickets of the non-prized subscribers. (*Hear, hear*) That would be fair and not three-fourths of the whole value. But that is another matter. That is an amendment to the existing Regulation in the opposite direction. I strongly object to the acceptance of the principle of the Bill so far as affording further opportunities is concerned. I thought, the Law Member while putting a question to Mr. Thanu Pillai, wanted to elicit the fact that he accepted the principle because there was already the principle in the Statute. I submit that is not the correct suggestion because the principle of this amendment is for affording further facilities for postponement. It is open to this House to accept or not to accept the principle of affording such facilities so far as chitties are concerned.

Now, with regard to the kuri-chitties, my friend Mr. S. Krishna Pillai has definitely placed before the House the hardships of a man from the point of view of honour. He returns the money although his obligation is not one recognized by Courts of Law. Why should this House pass a piece of legislation which would prevent an honourable man from paying off the money in which there is only a moral obligation. When a man is under a moral obligation to do a thing although the law does not enforce it, he should have the opportunities to do so.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): If a man collects money from the general public knowing full well that he has no obligation to pay, is he an honourable man?

MR. M. GOVINDAN (*Nominated*): The coercive processes are not better than his sense of honour.

MR. A. THANU PILLAI (*Trivandrum*): Are not such people trading upon the ignorance of the poor?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. M. GOVINDAN (*Nominated*): If that is not enforceable and not otherwise. So, my own impression is that this is a needless provision intended chiefly to safe-guard the interests of the capitalists as pointed out by Mr. Krishna Pillai and as such this House should not lend its support to it.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Sir, I also rise to oppose the principle of the Bill. Firstly with regard to the chitties, the principle of the Bill, as the Law Member suggested, is whether, postponement of chitties should be delayed or not. It has been made clear that the principle of postponement under certain conditions is permissible. The only question is whether the postponement of a chitty can be effected on two-thirds of the number of members agreeing to the postponement. I think that the condition laid down is that if two-thirds of the number of members, whether they be prized or non-prized subscribers whatever may be the value of their shares, agree the chitty may be postponed. The question is not whether the chitty should be postponed on account of the acute economic depression prevailing. There is scarcity of money. Everybody would like not to pay their dues if they could avoid paying it. That may be granted. But the question that the House has to consider is whether facilities should be given to people who do not want to pay. In the matter of chitty alone it may not be correct. From my experience of chitty foremen in general I know that they are not in favour of this additional facility being given to them for postponement of chitties. They say that there will be lot of difficulties if the chitties are postponed as they get out of touch with subscribers. There will be difficulty in getting them together and carrying on the business. Anticipating that very difficulty some people are pushing forth their business even in the teeth of economic depression. When Mr. Govindan suggested that we have reached a certain amount of adjustment, I think it was not appreciated in some quarters. We have been able to cope with this adversity that we have been experiencing and we are not feeling the acuteness of this economic depression so much as when it came first. We find that the price of cocoanut has slowly arisen. Even granting that nothing has intervened in the midst to improve matters we have been putting up with the greatest difficult times. Anybody will understand the psychology why we are now able to put up with the conditions better than when the economic depression first set in.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): As regards paddy, has the price gone up?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I do not refer to that at all. Whether the price of paddy comes up or not it does not affect the price of cocoanut.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): May I know whether the price of paddy also has risen?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): When I said that the price of cocoanut has gone up, it does not mean that the price of paddy also has arisen.

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): The member referred to the stress of the economic depression in relation to the rise in price of cocoanut.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Cocoanut and cocoanut alone and not paddy.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): I want to know from the member whether the price of paddy has risen in the country, it being also an aspect of the economic conditions now prevailing?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): We are not at the question of considering the relative value of paddy and cocoanut. We are at the question as to how the general economic position is at present. With regard to the price of paddy it may have gone down. The price of cocoanut has gone up a little.

MR. K. P. ABRAHAM (*Muvattupuzha* cum *Todupuzha*): The member has not understood my question. May I know from the member..... ...

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Without answering the member's first question, how could I answer his second question. I am not going to listen to his next question.

PRESIDENT: I think it is all irrelevant. You may continue your speech Mr. Kunjukrishna Pillai.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I will very well agree with my friend if he says that chitties ought to be postponed on the opinion of two-thirds of the non-prized subscribers. That is the protection that ought to be given. If there is a real situation for the non-prized subscribers to apprehend that, on account of the general economic depression, they may not be able to realise the money from the foreman when they bid the chitties, two-thirds of them may decide that the chitty may be postponed. The chitty must be postponed only on the decision of two-thirds of the non-prized subscribers. I am agreeable to that. What is really wanted at present is to go a step further with regard to the restriction in the matter of postponement of chitties that exist at present. That will be by making it possible for the chitty foreman to postpone the chitty only on the agreement of two-thirds of the non-prized subscribers of the chitty. If that is the object of the amendment, then substantially the principle of the Bill will be changed. So I oppose the principle contained in the amendment and I would be very glad to support if such an amendment is incorporated in the Bill.

Then with regard to the kurri-chitties, I want to refer to the principle. I do not want to go into the details at all. It must be admitted by all that there are a lot of kurri-chitties run in this country without adequate security to fulfil the promises that were made at the time of collecting the subscriptions. That is a point that must be admitted. It has also to be admitted that it is not in the general interest of the poor people who pay these small amounts to allow such transactions to go on like this any further. But to legislate that no

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. Kunjukrishna Pillai.]

amount should be disbursed is not proper. These poor people have scraped this money in the hope that they may possibly get prizes and prosper themselves by investing them.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Who says that this money cannot be paid back? You began by saying 'to say' and so on. I ask who is it that says that?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Says what?

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): The member began by saying to say that. I ask who says that?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I do not understand the question. I shall explain later on. I said that it will not be possible for the poor people to realise the money they have already subscribed to these chitties. This is made punishable. If you make it penal to ask for this money there is absolutely no hope of getting this money back.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is it proposed any where to punish the repayment of the amount actually given?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Yes, if the repayment comes in the course of the conduct of the chitty.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): The chitty may be stopped to-day or it may be granted that it may be allowed to run for 20 years. Is there anything to prohibit the subscribers claiming back the amount that they actually paid till *this* day?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): They cannot ask for it because there is the condition that they can claim the money only at the end. They cannot violate that contract. They have to depend upon the sweet will of the foreman. I say that by this legislation we are preventing the possibility of getting the money.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Where is it stated?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): The man pays his money in pursuance of the contract which subsists between him and the foreman under the kuri-chitty rules. There is great difficulty in regard to that. No foreman will be able to pay back the whole amount. He would have spent a large sum of money in collecting this amount. Possibly to pay all will be impossible.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): Is there anything in the Bill to say that that cannot be done?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): If this Bill becomes law, it may not be possible for the foreman to pay back the money collected even if he wishes to do so.

MR KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*): That is to say, the foreman will not be able to act according to the law. But it cannot be said that he will not be able to pay back at his sweet will and pleasure?

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : I do not say that the foreman will not be able to pay if he likes. But no foreman will be able to pay because he would have invested consiberable sums of money for the conduct of the chitty and it would not be possible for them to pay the amount subscribed even if they are willing.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : Unless they are allowed to go on with the Kuri-chitties ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : In other words, the chitties that subsist now should not be interfered with, or else Government ought to have been careful even in the beginning not to allow such transactions. It is not yesterday that these began. Government ought to have been alert and ought to have brought forward a Bill before such chitties were started and before large amounts were collected. If Government had made a law then, many people would not have subscribed. But at the fag end Government are coming with a Bill. This loss which they have now to sustain cannot be rectified even by an iota by means of this Bill. Who will answer for that loss? There is only the remote possibility of some people getting the amount from foremen who may be honest.

MR. A. THANU PILLAI (*Trivandrum*) : After all, what is the amount that the subscribers have paid ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) I do not know. I know there are premium bonds at Rs. 10 each. Large sums of money have been collected like that.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) On the average what will be the loss for each citizen ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : It should not be understood that one man has taken only one ticket. I know of people who have invested from Rs. 200 to Rs. 500.

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : That is why I ask what the average will be ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : I cannot say. It is not the case that all people have taken only one 8 annas ticket. They may have taken serveral tickets in different Kuri-chitties.

MR. M. GOVINDAN (*Nominated*) : Is the amount of loss which each subscriber may incur, however great or small, to be a consideration in this matter ?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*) : That ought not to be the prime consideration. The prime consideration ought to be the sum total of the loss to be sustained. I think it will be quite enough if the legislation provides for making the further running of the kuri-chitties punishable. If speculation is not allowed it will be a very puritanic law. Mr. Thanu Pillai does not want a man to pay one rupee and get Rs. 5,000. That may be an ecclesiastic view, but the world does not recognise it. Neither this Government, nor any other Government, approve that. Even in the distribution of wealth, by God, there is no hard and fast rule,

LIBRARY ARCHIVES Kerala Legislative Assembly

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Then, why not allow a foreman to become a capitalist out of the magnanimity of other people who pay?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): There are also other methods of getting rich. Why not rob and get rich?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): This is not robbing.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): This is gambling. Are the Government of India preventing people from taking tickets in race courses? Why should the people be encouraged to do that?

MR. K. GOPALAKRISHNA PILLAI (*Parur*): Is the Government of India the wisest Government in the world?

PRESIDENT: I think we are straying away from the point. What more time will you take, Mr. Kunjukrishna Pillai?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I will take a little more time. I will try to close, or I will continue after lunch.

MR. A. THANU PILLAI (*Trivandrum*): Before we adjourn, I wish to place before you the general wish on this side of the House that the adjournment motion may be allowed to be discussed day after tomorrow, because important issues have to be discussed and we have not come prepared.

PRESIDENT: We have got other important business for the day after tomorrow. So this has to be taken up to-day and that I think is the rule too.

The Council adjourned for lunch at 1-58 P. M. and re-assembled at 3 P. M., with the Deputy President in the chair.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): Sir, it is not possible to avoid the idea of speculation. Having regard to the fact that Government have not taken sufficiently early steps to prevent kuri-chitties, those who have already entered into transactions with kuri-chitty foremen should be given a chance of trying and getting whatever they could get, because even this legislation could not help those who have already contributed money. They are completely at the mercy of foremen. I can very well understand Government bringing a Regulation to prevent the running of future kuri-chitties or running them under certain conditions. I think for beneficial purposes such kuri-chitties can be justified for the collection of money. I would go even to that extent. But the only reason advanced against this is that it may not be valid. Government may demand sufficient securities from such men so that the promises held forth to the public may be fulfilled and to regulate the conduct of the kuri-chitties. They may make provisions in the Statute. That can be understood. I do not think there is anything inherently immoral in the word "kuri-chitty". Even in the case of the Provident Insurance Companies, we find that though every expert admits that these are unsound in principle and that they are not likely to fulfil the expectation created in the minds of the public. We make some patch-work to regulate such transactions. They have already collected money; so they are trying to minimise the evils as much as

LIBRARY ARCHIVES Kerala Legislative Assembly

possible. In the same way, in the matter of kuri-chitties, a special Regulation to regulate the conduct of these chitties may be passed. For very beneficient purposes such collection would be the only feasible way of raising money. I think the Government should be inclined to view it in a constructive spirit and not in such a destructive spirit as is seen in this Bill. Therefore, my view is that people who have already contributed, and who have got an off chance of getting back their money already subscribed, should not be prohibited or the transactions subsisting at the moment should not be penalised.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know what exactly is the definite promise of a kuri-chitty foreman so far as is known to the member and how it could be fulfilled?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I am at a loss to understand which particular foreman the member is referring to?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Any kuri-chitty foreman.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I do not understand the curiosity of the member to know this.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): The member was observing that a Regulation may be enacted so that the promises made by the foremen may be fulfilled. I ask this question with reference to the kuri-chitties now prevalent in the country: on what basis they could be expected to fulfill their promise.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I shall answer the question. The promise made by the various kuri-chitty foremen may be fulfilled if a Regulation to regulate the promises held forth by the various kuri-chitty foremen being fulfilled, is passed. Why should I refer to any particular kuri-chitty foremen? I fail to see the point in the question.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Does the member concede that the kuri-chitty is unscientific in principle?

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I shall not be hazardous enough to give an opinion without going into the question in greater detail. It has to be gone into. I admit that I have not gone into it in such detail and I am not an expert in kuri-chitties.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Sir, I support the Bill. Various arguments were advanced against this Bill. If I correctly understood the trend of the arguments and the conclusions which were arrived at by very many members who spoke in opposition to the Bill, I think all the members agreed with reference to the principles underlying the present Bill; that is to say, with reference to the existing Chitty Regulation, postponement of the instalments or the drawing of the chitty, is necessary in view of the economic depression prevailing in the country.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): I question that statement.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): All agreed except Mr. Govindan who said that by habit we have adjusted our finances with reference to the economic depression prevailing in the country for some time. Excepting that member all were of the opinion that some

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai.]

sort of postponement is necessary. As already provided for in the Regulation, the present Bill proposes to give more convenience to the foremen to postpone the instalments of further drawings.

The second principle of the Bill that was opposed is that kuri-chitties should not be penalised. With reference to that point, I think there is complete agreement on this side of the House. If I understood the legal position explained before this House very elaborately by Mr. S. Krishna Pillai, who made a long speech to-day also as usual, I think it was stated that retrospective effect should not be given to the present proposal. Apart from that objection, it seems to be a fundamental objection that seems to be recognised by all legislators. I do not find any specific arguments against the acceptance of the Bill. As a matter of fact, the principle of the Bill has been accepted by the House.

Then, Sir, another question raised by Mr. Krishna pillai is that sanctity of contracts ought to be respected. Therefore, by penalising the existing kuri-chitties, we are going against that sanctity of contracts. Of course that argument appears to be sound on the face of it. But with reference to the facts, how the kuri-chitties are conducted, what is the legal basis of these kuri-chitties, whether these are void or valid contracts, whether the contract could be legally enforced, what is the legal status of the foreman and the subscribers—that question need not be considered at all. Of course, the sanctity of a contract has to be respected, but a proper contract alone is intended to be respected by law.

MR. S. KRISHNA PILLAI (*Karunagapalli*): What is meant by a proper contract?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): With reference to the provisions of the Bill the member will kindly remember the nature of the agreements between two parties one of whom is a minor or lunatic, or an agreement obtained by coercion or an agreement which has been brought into effect improperly or fraudulently or which is on the face of it void, I ask whether such an agreement contains any sanctity and whether we should attach to that agreement any of the incidence of a contract?

MR. S. KRISHNA PILLAI (*Karunagapalli*): Is a contract entered into by a minor prevented from being fulfilled after the minor attains majority?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): So many side issues are contemplated in my statement. I have only made a general statement. I say that whether the sanctity of a contract has to be respected or not ought to be decided with reference to the merits of the contract. Here what is the contract? To begin with it is a void contract. A foreman enters into a contract with a subscriber. That contract cannot be enforced either by the subscriber or the foreman. I ask the question what is the sanctity of the contract when the same is being done fraudulently? The country is flooded with unscrupulous agents visiting house to house, luring the poor people with fantastic

LIBRARY ARCHIVES Kerala Legislative Assembly

promises and robbing them of their hard earned money. If that simple proposition is conceded for a moment, I suppose it will be conceded by my friends in this House that the Bill now before the House must be supported. In regard to the provident Insurance Bill, which I suppose is coming up for discussion in this Session itself, the very same complaint has been raised throughout the country that these Provident Insurance Companies have during recent years sprung up in very large numbers, like mushrooms. Every one of them has cheated the poor people in the country-there may be a few exceptions, and robbed them of their hard earned money.

MR. K. KUNJUKRISHNA PILLAI (*Quilon*): May I ask the member whether the Government are trying to make it illegal or punishable to start Provident Insurance Companies?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Now we are going to discuss the various provisions of that Bill the day after to-morrow. I have proposed certain amendments which I hope, if carried, would work well.

In the case of most of these Provident Insurance Companies, poor people are tempted to part with their hard earned money by misrepresentations made to them by the agents or officers of those companies which are mostly worked on very unscientific lines. I do not profess to be an expert in Insurance or Provident Insurance. But I would ask this simple question. There is a Company coming forward and telling you that you need pay only as. 8 and that you would, by doing that, get a chance of winning the first prize of Rs. 10,000, a second prize of Rs. 5,000 and so on and that those who are not able to get any of these prizes would get their money with some interest, some 25 or 30 years hence. Sir, are not these transactions void? Are they not like lotteries? Does it not amount to hoodwinking the public when such transactions are advertised. Sir, I am not now discussing theories. Theoretically there may not be anything wrong in the rules of these companies. But as a matter of fact in practical experience, do we not find that people are regularly being cheated by such companies? As a matter of practice and experience, do we find a single kuri-chitty foreman who actually conducts the chitty as per the rules, actually pays all the amount that he promises.

MR. E. V. KRISHNA PILLAI (*Kottarakara cum Kunnattur*): Even if the holder of a ticket does not get all the ten thousand rupees spoken of in the advertisement, he is certainly not a loser if he gets a few thousands for the few annas that he pays.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): That is the reason why I stated that the whole scheme is absolutely unscientific. No foreman is really expected to carry out his promise fully. He says pay me as. 8 and you will get from me Rs. 5,000. This promise is never fulfilled and the foreman knows how to manage his business to save himself from the clutches of the law. There is absolutely no means of checking the expenditure for conducting the chitty that is left entirely to the foreman. It is open to him to collect Rs. 5,000 by way of subscriptions and say that he had spent more than Rs. 4,000 for printing,

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. P. Nilakanta Pillai.]

for collection and other expenses and therefore he could distribute only a hundred or two hundred to the subscribers. This is how most of these schemes work.

MR. E. V. KRISHNA PILLAI (*Kottarakara cum Kunnattur*): Whatever be the expenditure, the subscriber gets thousands of rupees for just the 4 as. or 8 as. that he pays.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Sir, certainly that is exactly my grievance. It has been pointed out by my friends on this side of the House that these chitties are being conducted by very respectable people who fully realise their moral obligation to pay prizes under these kuri-chitties. But I personally know, Sir, of very many such respectable people who promise fabulous prizes and dividends to the subscribers but who finally do not fulfil any of their promises.

MR. K. GOPALAKRISHNA PILLAI (*Parur*): How many people have got Rs. 5,000 in Travancore?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): I do not know of any.

MR. K. GOPALAKRISHNA PILLAI (*Parur*): How many are robbed of their as. 8 or as. 4?

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): Thousands. It is all so unscientific. In more than 75 per cent. of the case, there is absolutely no control over the foreman. We often hear that for collecting these small subscriptions, from Calcutta or from London, huge sums had to be spent far in excess of the amount of subscription and that there was only very little left to be distributed as prizes. This is how the foremen are able to make their huge profits, and there is no practical way as things stand at present, to have any control over their expenses; that is the position? That is why I say it is all very unscientific. I do not blame any foreman because it is certainly impossible for any human being to carry out promises like those that the foremen make. There is therefore no use in accusing them. But my only point is that innocent and poor subscribers are deprived of their hard-earned money.

Sir, arguments have been adanced by my learned friends that when honest men have started these companies and are prepared to distribute the attractive prizes which though not legal they are under a moral obligation to pay to the numerous subscribers the law will not interfere and deprive thousands of people who legitimately expect to win these attractive prizes. I have only to reply, Sir, that if really there are such generous and noble men in the country why not the subscribers magnanimously forego their small payments of as. 4 and as 8, so that we can have in our country a few millionaires who have made all their money on account of their impression of their respectability which they were able to create in the minds of the public. (Laughter). I do not think anybody is going to grudge the payment of 8 as. or 4 as. Let us not therefore shrink from taking the necessary action in the matter merely because these transactions have already been entered into.

LIBRARY ARCHIVES Kerala Legislative Assembly

Reliance has also been placed on the general principle of jurisprudence that retrospective effect should not be given to any piece of legislation. My submission is that it is not an absolute rule that retrospective effect should not be given in any case. I submit that if there is any one instance in which retrospective effect could be given justly and fairly, it is this matter.

There is then the question of the postponement of chitties. I may be permitted to observe that some of the arguments that were advanced appear to cut both ways. There is already the provision in the existing Regulation that if subscribers whose rights in the chitty amount to not less than three-fourths of the value of the amount of the chitty, can decide by means of a special resolution, that an instalment may be postponed to the date of the next instalment, it can be so done. It was argued that f 20 subscribers had together taken more than three-fourths of the total number of tickets and if the remaining 10 subscribers had together taken only less than one-fourth of the total number of tickets, it would be possible under the present provision for the 20 people to postpone the chitty as they like leaving the remaining ten at their mercy. I ask the question is it not possible to contemplate another case in which there may be the rich subscribers who together own more than three-fourths of the total number of tickets, in such a case the majority amongst the subscribers would be left at the mercy of a few such persons. This is the contingency which I now raise-certainly not beyond imagination—but we can reasonably contemplate such instances also. The amendment that I would suggest to the provision concerned is that the prized subscribers should have nothing to do with the postponement of the instalments. It must be left to the non-prized subscribers alone. That is the suggestion that I would make.

With this observation I fully support the Bill before the House.

MR. K. NARAYANAPERUMAL NADAR (*Agastisvaram*): Sir, the trend of the opinion in the House now seems to be against the Bill. On that account I am not prepared to sacrifice my individual opinion.

I am led to understand by my conversation with many subscribers and foremen that nearly 80 per cent of the foremen and subscribers have become paupers. Sir, as we all know the economic depression has been so serious and has lasted so far over more than 2 years and I have no hope that we are going to be saved from it for the next ten years or more. I therefore hope that several of the foremen will have to be in jail if the chitties are to be continued as usual and the Government will have to spend thousands of rupees to put up additional sheds to house these foremen and it will increase the financial difficulty of Government. I therefore support the Bill now before the House. I have been asked by several chitty foremen and subscribers "Is it a fact that Government are contemplating to introduce a Chitty Regulation Amendment Bill". My answer is "Yes." They have all said that they welcome the measure. Such an opinion coming as it does from numerous subscribers and foremen must be given weight by this Council. So far as this question is concerned I would

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. K. Narayanaperumal Nadar.]

submit that the opinion of the representatives of the people, laymen, must be given more weight than the opinion of the lawyer members of this House. I would therefore welcome this Bill and would request Government to bring it into force even if the measure does not get the support of the majority in this House. Such defeat in this Council will certainly not be a moral defeat to the Government. I do hope that the Honourable Law Member will not withdraw the Bill merely because it is opposed by a majority of this House.

RAO SAHIB DR. N. KUNJAN PILLAI (*Census Commissioner*) : I would like to make a few observations on the first portion of the Bill. As has been stated, the Economic Development Board had something to do with it.

DEPUTY PRESIDENT : Please see that your observations are as short as possible. We have only 3 minutes more for the discussion of this subject.

RAO SAHIB DR. N. KUNJAN PILLAI (*Census Commissioner*) : The Economic Development Board received representations from various people urging the necessity for the postponement of chitties. They discussed the question in all its aspects and the majority of the members, both official and non-official were in favour of the postponement of chitties. Many of the witnesses examined by the Economic Depression Enquiry Committee also supported the postponement of chitties. They all suggested that some facilities must be given to the foremen and the subscribers to postpone chitties. The other side of the question was also put forward mostly by lawyers.

MR. A. THANU PILLAI (*Trivandrum*) : Is there any special connection between the profession of lawyers and this question ?

RAO SAHIB DR. N. KUNJAN PILLAI (*Census Commissioner*) : Most of the witnesses who argued against the postponement of chitties happened to be lawyers. I have simply mentioned that fact. The Committee discussed the question in all its aspects and were of opinion that relief should be given to the foremen and the prized subscribers and that some provision should therefore be made for the postponement of chitties.

As regards the existing provision, as the Law Member pointed out, there was some doubt as to whether chitties could be postponed under the present Regulation. It is only to make the point clear that the amendment is now being proposed.

It has been suggested that postponement will benefit only the prized subscribers and that it will work detrimentally to the non-prized subscribers. But I do not think so because in every chitty it is only one ticket holder that can prize his share every time. So all the rest amongst the non-prized subscribers have to pay their share each instalment and there are penalties attached to non-payment and delayed payment. Therefore considering the non-prized subscribers as a whole it may be said that they will be benefited by the postponement of chitties.

LIBRARY ARCHIVES Kerala Legislative Assembly

It was observed by some of my friends on the other side that more than 50% of the chitties are even now being conducted well. Probably, Sir, it may be so where most of the subscribers happen to be officers of Government and Vakils of good practice. Certainly these people have not been hit hard by the economic depression, but in rural parts more than 75% of the chitties have really collapsed because the people have not got money to pay.

MR. S. KRISHNA PILLAI (*Karunagapalli*): Did the committes find out that there was no provision now for the postponement of the chitties?

RAO SAHIB DR. N. KUNJAN PILLAI (*Census Commissioner*): That seems to be the disputed point.

DEPUTY PRESIDENT: It is now past 3-30 and we have to begin the discussion of the adjournment motion.

ADJOURNMENT MOTION.

MR. K. C. KARUNAKARAN (*Nominated*): Sir, the subject of my motion is, as the House is aware, the fall and the impending further fall in the price of Travancore copra due to the import of Ceylon copra into this country and its possible increase in the future.

Sir, the material prosperity of this country depends upon both the owners and the cultivators of the cocoanut trees. In the Eastern hemisphere between the Suez and the Far East, the most important countries which cultivate cocoanut trees are the Malabar Coast, Singapore, the Malay Archipelago, Ceylon and South Africa. Of these countries, the Malabar Coast including Travancore, Cochin and British Malabar, Ceylon and Singapore are five of the most prominent countries, while the East and South Africa are just taking to this cultivation on a large scale.

Sir, Travancore and Ceylon compare in many respects in their economic and industrial activities. Rubber, tea and cocoanut are the most important products cultivated both in Ceylon and here. The main prosperity of Ceylon depends upon rubber and tea, the prices of which, we all know, have fallen considerably during the last 3 or 4 years, and we do not see any prospect of revival in the near future. Travancore also has been very badly hit owing to the fall in the price of rubber and of tea; but I do not think Travancore has been hit so hard as Ceylon. Travancore, I hope, may carry on as she had been carrying on during the last couple of years. But, Ceylon with the fall in the price of rubber and of tea has lost her equilibrium not only in her economic life but also in her very national life. We have read in the papers how a deputation of the ladies of Ceylon waited before the Indian Commissioner in Ceylon pleading for the recommendation to the Government of India of the abolition of the import duty on the cocoanut products of Ceylon into India.

MR. K. P. NILAKANTA PILLAI (*Chirayinkil*): May I know, Sir, whether, under the motion now before the House, we can start a discussion of the Ottawa Conference and such other larger questions?

LIBRARY ARCHIVES Kerala Legislative Assembly